

Message Text

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SUBJECT: MARKET POTENTIAL FOR AMERICAN CONSUMER GOODS

REF: STATE A-7175, 9/17/74

SUMMARY

CONSUMER PRODUCTS OF U.S. MANUFACTURE CONTINUE TO ENJOY GOOD POTENTIAL IN HONG KONG. DESPITE SUBSTANTIAL WORLD-WIDE INFLATION, IMPORTATION OF U.S. CONSUMER PRODUCTS INCREASED IN QUANTITY AS WELL AS IN VALUE. COMPETITIVENESS, BETTER QUALITY, AND RESULTS OF AMERICAN FORTNIGHT PROMOTION ARE RESPONSIBLE TO SOME EXTENT FOR INCREASES. IN 1974 U.S. SALES INCREASED ABOUT 50 PERCENT IN VALUE AND 25 PERCENT IN VOLUME. POST'S EFFORTS IN PROMOTING NEW PRODUCTS THROUGH AMERICAN FORTNIGHT PROVED VERY WORTHWHILE. SIX MAJOR STORES ARE INCREASING THEIR IMPORT OF U.S. PRODUCTS, AND MANY OTHER IMPORTERS ARE CHANGING FROM JAPANESE TO U.S. SUPPLIERS. END SUMMARY

WEARING APPAREL

SHIRTS, UNDERWEAR AND HOSIERY OF U.S. MANUFACTURE HAVE EXCELLENT MARKET POTENTIAL IN HONG KONG. 1973 SALES WERE ABOUT US\$2,888,000. 74 FIGURES WILL BE BETTER AND 75 HAS STILL MORE POTENTIAL. WELL KNOWN BRANDS SUCH AS MANHATTAN, CATALINA AND ARROW ARE DOING EXCEPTIONALLY WELL, AND THERE IS ROOM FOR NEW NAMES IN MARKET. LOCALLY MADE CUSTOM TAILORED SHIRTS HAVE LOST SOME APPEAR AND HIGH QUALITY IMPORTED SHIRTS HAVE GAINED. AMONG WOMEN'S AND MISSES' WEAR, DRESSES, LINGERIE, UNCLASSIFIED

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BRASSIERES AND HOSIERY OFFER EXCELLENT AREA FOR U.S.

SALES PROMOTION. 1973 SALES WERE ABOUT US\$1,504.00.
INCREASE OF TAILORING COSTS IN HONGKONG HAVE MADE
U.S. DRESSES MUCH MORE COMPETITIVE AND OTHER ITEMS WILL
SELL BECAUSE OF GOOD REPUTATION FOR STYLE AND QUALITY.
UNDER CHILDREN'S WEAR, COATS, GIRLS' DRESSES, SHIRTS AND
SWEATERS OF U.S. MANUFACTURE HAVE EXCELLENT POTENTIAL.
AGAIN, U.S. STYLES AND QUALITY SEEM TO BE CONTROLLING
FACTORS AS WELL AS PRICE COMPETITIVENESS. IN CATEGORY
OF "OTHER CLOTHING ITEMS AND ACCESSORIES", FANCY
HANDKERCHIEFS STAND HIGH ON LIST OF GOOD POTENTIAL.

TEXTILE

MARKET ACCEPTABILITY IN HONG KONG FOR U.S. BLANKETS,
CURTAINS, DRAPERIES, CARPETS, RUGS, SHEETS, PILLOW
CASES, TOWELS, AND WASTE CLOTHS SEEM EXCELLENT.
OTHER CLASSIFICATIONS SUCH AS FABRICS, RANGE FROM FAIR
TO POOR. OUR INTERVIEWS HAVE DISCERNED DEFINITE TENDENCY
FOR CONSUMERS TO LOOK FOR HIGH QUALITY AMERICAN GOODS,
ESPECIALLY WHEN THEY ARE REASONABLY PRICE COMPETITIVE.
1973 SALES WERE ABOUT US\$25,757,000.

PERFUME AND TOILETRY

U.S. IS NOW ENJOYING 43 PERCENT INCREASE IN SALE OF PERFUMES,
TOILETRIES, AND COSMETICS TO HONG KONG OVER PERFORMANCE
OF 1973 WHICH WAS ABOUT US\$9,262,110. BETTER ADVERTISING
ON PART OF AMERICAN FIRMS ACCOUNTS FOR MUCH OF INCREASES.
1973 SALES WERE ABOUT US\$6,477,000.

JEWELRY AND PRECIOUS STONES

COSTUME JEWELRY OF AMERICAN MANUFACTURE HAS BECOME VERY
POPULAR HERE. FOR EVERYDAY USAGE, COSTUME JEWELRY
SEEMS TO BE PREFERRED NOW TO MORE EXPENSIVE JEWELRY
BECAUSE OF CRIME PROBLEM. NEVERTHELESS, MARKET FOR
PRECIOUS STONES IS STILL EXCELLENT BECAUSE PRECIOUS STONES
ARE BEING USED AS PROTECTION AGAINST INFLATION.

MEDICINES AND PHARMACEUTICALS IMPORTED FROM U.S. HAS
INCREASED 57 PERCENT IN VALUE TO US\$9,520,480 AS COMPARED TO
LAST YEAR.

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HOUSE AND HOMEWARE

UNDER THIS CATEGORY, BEST OPPORTUNITIES FOR INCREASED
U.S. SALES ARE GLASS TABLEWARE, PLASTIC ITEMS,
BATHROOM ITEMS, HAND TOOLS, PENS, PENCILS, CLOCKS,
MATTRESSES, AND HOUSEHOLD SCALES. AS MAIDS BECOME
SCARCE AND MORE EXPENSIVE, PREFERRING TO WORK IN
FACTORIES THAN IN HOMES, AMERICAN STYLE HOUSEWARES

HAVE INCREASING MARKET POTENTIAL. AS CHINESE HOUSEWIVES DO MORE OF THEIR OWN HOUSEWORK, THEY BECOME MORE INTERESTED IN LABOR AND TIME-SAVING DEVICES USED BY AMERICAN WOMEN. THE CHINESE SOCIETY HAS ALWAYS BEEN GIFT-GIVING SOCIETY AND PROBABLY WILL REMAIN THAT WAY. ACCORDINGLY, ALL THE ABOVE ITEMS, AS LONG AS THEY ARE ATTRACTIVE AND PRICE COMPETITIVE, WOULD HAVE GOOD SALES POTENTIAL IN HONG KONG. CHINESE CONSIDER MOST OF THEM TO BE VERY APPROPRIATE SMALL GIFTS.

FURNITURE

THERE IS STRONG TREND IN HONG KONG TOWARDS PURCHASE RATHER THAN RENTAL OF APARTMENTS. ACCORDINGLY, FURNITURE SALES ARE INCREASING RAPIDLY IN COLONY. COMPETITIVE AND ATTRACTIVE AMERICAN FURNITURE HAS GREAT FUTURE IF PROPERLY PROMOTED.

HOME ENTERTAINMENT

CHINESE POPULATION SEEMS TO BE INCREASINGLY INTERESTED IN HOME ENTERTAINMENT. ACCORDINGLY AMERICAN BOOKS AND MAGAZINES HAVE EXCELLENT MARKET HERE. SOUND RECORDERS, AUDIO/VIDEO TAPES, STEREO CAMERAS, MUSICAL INSTRUMENTS, PHONOGRAPH RECORDS AND TAPES HAVE FAIR MARKET CONSIDERING STRONG COMPETITION FROM OTHER COUNTRIES. BECAUSE OF HEAVY COMPETITION, OTHER ITEMS IN CATEGORY OF HOME ENTERTAINMENT HAVE POOR PROSPECTS.

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